

ILLINOIS

Automobile Dealer News

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Vol. 31 No. 4



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Former, IADA Legal Counsel
Former, Illinois Assistant Attorney General,
Deputy Chief, Consumer
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Act Amendments Creating Motor
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Drafted Illinois Motor Vehicle
Advertising Regulations



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RICK YEMM

IADA Chairman

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Galesburg, IL

It is with mixed emotions that we take this opportunity to announce that Pete Sander, IADA President for the past 36 years and IADA employee for 46 years, will be retiring at the end of this year.

Pete graduated from Northwood University in Midland, Michigan. He began his career with IADA in 1975 as a field representative, networking with members and promoting IADA services before being named President in 1985.

During his professional career, one of his proudest achievements was overseeing the IADA Building Program. This undertaking included acquiring property and constructing a four-story office building overlooking the State Capitol, providing a permanent home for IADA to promote franchised car and truck dealers before the Illinois Legislature and various regulatory agencies in Springfield. Under his leadership, Illinois dealers have enjoyed a very strong legislative presence with the enactment and various amendments of the Motor Vehicle Franchise Act,

the passage of Sunday Closing Legislation and many other legislative initiatives over the years.

In 1994, Mr. Sander was elected President of the Automotive Trade Association Executives, the national group of his counterparts in other states. In 2004, he was recognized by his alma mater, Northwood University, for his contribution and dedication to the auto industry. Over the years, he has been recognized for his work with the Secretary of State's office in representing dealers' interests on the SOS Dealer Advisory Committee. Under his tutelage, the IADA-CVR program came to fruition and has been a valuable member service and partnership for the association.

With his leadership, IADA is recognized as one of the stronger state dealer associations in the country as well as in the Springfield association community. Mr. Sander extends his sincere appreciation for the countless friendships and working relationships that have been such a wonderful part of his IADA life. ■



"It has been my pleasure and honor to lead IADA and be involved with such a dedicated staff to work with and for the many volunteer dealer members who have participated with IADA over the past 46 years. I thank you for the opportunity."

Pete Sander, IADA President



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IADA Counselor's Corner



JULIE CARDOSI

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Current And Continued Challenges for Business Employers in the Workplace Against the Backdrop of the Ongoing Pandemic

With the current spread of COVID-19 variants, many businesses, including dealerships, are facing challenges associated with requiring proof of employees' vaccination status, wearing masks and submitting to regular COVID-19 testing. Dealerships should consult with their own private attorneys about the careful development of vaccination policies to address these issues.

Earlier this year, the United States Centers for Disease Control and Prevention (CDC) and several state and local public health authorities had lessened some of the restrictions relative to fully vaccinated individuals. However, with the more recent onset of the very transmissible delta variant, resulting in an increase of COVID-19 cases throughout the country, the CDC and other public health agencies continue to announce additional changes which, as of the writing of this article, include without limitation, recommending that fully vaccinated individuals wear masks in certain indoor venues. Other recent measures have included the federal government (along with certain state and local authorities) requiring certain public employees and those who work in high-risk environments (e.g., health care) to show proof of vaccination or submit to regular Covid-19 testing, wear masks and physically distance from fellow employees and customers or visitors.

Some businesses and companies have announced vaccination and testing policies that are operative with respect to their employees. In doing so, these businesses are traversing the balance between employee and workplace safety and privacy considerations. Indeed, while some states are issuing vaccine and testing mandates, others are attempting to prevent businesses and government agencies from requiring individuals to show proof of vaccination status. The following general principles can assist businesses as they work with their legal advisers to address some of the issues in the development of their own policies.

First, while an employer may have a legitimate business need to inquire about an employee's vaccination status, proposed questions about vaccination status should, at a minimum, be reviewed with the business's attorney. Employers must exercise caution to avoid making medical inquiries¹ in contravention of the Americans with Disabilities Act (ADA) and other similar laws. The federal Equal Employment Opportunity Commission (EEOC) has commented² that if employers ask employees to provide vaccination proof, they should consider warning the employee not to provide any medical information as part of the proof to avoid implicating the ADA. If a business were to require



Some businesses
and companies have
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are operative with respect
to their employees.

its employees to be vaccinated, it must also consider reasonable accommodations for employees with disabilities or medical conditions or a religious exemption.

Second, information an employee provides about vaccination status must be held strictly confidential. Further, such information must not be used to make employment decisions.

Third, since the beginning of the pandemic, the federal, state and local regulatory and legal landscape has been constantly changing, with new and modified COVID-19 orders and guidance issued regularly.³ For this additional reason, it is imperative that a business's vaccination status policy be developed with the assistance of legal counsel. The ever-evolving requirements can impact an employer's policy. Therefore, employers must continue to be flexible with respect to their policies and stay vigilant and current about any federal, state and local rules and developments that might be impactful. This is also helpful in communicating with and educating employees and customers about the policies.

To paraphrase the words of Winston Churchill, neither success nor failure is final, "it is the courage to continue that counts." The pandemic has caused each of us to reach deep within ourselves and persevere through the adversity and challenges of the present time. ■

¹ See U.S. Centers for Disease Control and Prevention, "Workplace Covid-19 Vaccine Toolkit" (07-29-21 update) ("If an employer requires employees to provide proof that they have received a COVID-19 vaccination from a pharmacy or their own

healthcare provider, the employer cannot mandate that the employee provide any medical information as part of the proof.") <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/toolkits/essential-workers.html>

² See <https://www.eeoc.gov/wysk/what-you-should-know-about-covid-19-and-ada-rehabilitation-act-and-other-eeo-laws>

³ As further indication of the evolving regulatory landscape concerning the subject of this article, after it was written, the U.S. President issued Executive Order 14042 and announced a COVID-19 Action Plan, directing the U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) to draft rules (Emergency Technical Standard (ETS)) requiring companies with 100 or more employees to either (1) ensure that their workforce is "fully vaccinated" or (2) require any workers who remain unvaccinated to produce a negative test for COVID-19 at least once a week. At the time of publication, OSHA's ETS was still pending, making it all the more essential that covered businesses seek the advice of their legal advisers.

Julie A. Cardosi is an attorney and president of the private firm, Law Office of Julie A. Cardosi, P.C., of Springfield, Illinois. She has practiced law for 35 years and represents the business interests of franchised new vehicle dealers. Formerly in-house legal counsel for IADA, she concentrates her practice in the areas of mergers and acquisitions and other transfers of dealer ownership, franchise law, commercial law, state and federal regulatory compliance matters, including employment, and other areas impacting day-to-day dealership business operations. She has also served as an Illinois Assistant Attorney General and Deputy Chief of the Consumer Fraud Bureau of the Attorney General's Office. The material discussed in this article is for general information only and is not intended as legal advice and should not be acted upon as such. Dealers should consult their own private legal counsel for application to their specific circumstances. For more information, Julie can be reached at jcardosi@autocounsel.com, or at 217-787-9782, ext. 1.

IADA Consultant's Corner

When Life Looks Like Easy Street, There is Danger at Your Door



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Record profitability makes every dealer wish they had another dealership. How many times have I been asked lately, "Have you heard of anything for sale?" When almost every dealer feels the same way, it does make you wonder if there is some potential future negative in all this euphoria. But first, how did we get here?

It's been a perfect storm that has created record profits. First, most dealers trimmed headcount during the early months of the COVID pandemic. After which, they discovered they could be just as productive with the newly reduced number of team members. When volume came back, most dealerships did a great job, with F&I going to record levels, which they have maintained. The idea that all customers were going to demand remote delivery and therefore F&I income would be in peril never panned out. Customers still want to drive the vehicles and take delivery of the vehicle at the dealership, leaving our traditional F&I model intact. Following these two positives, we have had inventory supply levels change, and as a result, gross profits have surged. Even while dealers struggle to maintain enough cars to sell – generally, most have been profitable due to front-end gross increases, F&I and reduced expenses in headcount and advertising.

Advertising left in traditional media is all but gone, and even digital spends are down: why would you advertise if you can easily sell every car you can

get your hands on? Floorplan went from being an expense to a credit on the Profit and Loss.

This party could continue for a while. Surely F&I results don't look to be retreating any time soon. The beginning of some new car inventory is in sight and should steadily build. The consumer is still enjoying low-interest rates, the highest savings rate in a generation, and an improving employment picture.

But like the Grateful Dead said, "When life looks like easy street, there is danger at your door." What are we going to find when things normalize, whenever that is? When the tides go out, what and who will be exposed?

Here are some examples of things you can look toward to make sure you are ready when the tide turns:

- Solid Road to a Sale sales processes have all but been abandoned. When things are this good, managers tend to overlook shortcuts and skipped steps. Do this for several months, and the net result is mayhem: no process, no accountability, and no easy way to manage your way back to a consistent sales process. The dealer or GM should be sitting in on daily meetings to ensure they are happening at a high level of quality and intensity. A best practice here would be to hold a "pre-game meeting," so level set expectations.
- F&I will find out that a customer in a normal shopper mode who

holds all the cards in the buying process will be more reluctant to choose option one on the menu. Customers who are just happy to get a car and haven't entered a negotiator's skeptical mindset have been perfect for F&I. This too will change, and we will go back to some requests for remote delivery.

- Keep an eye on your big three expenses – advertising, personnel, and inventory expense. Big grosses on good volume can be very forgiving to some poor expense control leading to expense creep.
- Adding talent needs to be done in all sales environments. Keep hiring and developing your people. The stars will rise, and you will be better positioned to manage out the weaklings. When your C player – who's been making big money recently – goes back to normal comp, is there a good chance they decide to move on to greener pastures?
- Do you have deskling standards in place, and do you have audits happening regularly to make sure they are taking place?
- Are you moving forward with digital retail initiatives? Will you be prepared for what customers expect and demand in 2022? Does your process have continuity for the consumer who starts their deal online and then comes to the dealership?

- Are you utilizing your CRM to its full capability? Who is ultimately accountable and owns this function in your dealership? What's your audit function on this?
- Who in leadership is reviewing customer pay RO's daily?
- Are you doing one-on-one's daily: decision-maker with key managers, and key managers with their direct reports?

Once again, to quote the Grateful Dead, "Sometimes you get shown the light in the strangest places if you look at it right," and right now it's in the daily activities. The current gravy train will end. We just don't know exactly when. What we do know is the disciplines you put in place now will determine your success level once we get back to the real world. Management teams that spend their time high fiving and watching the scoreboard will find themselves out of the long-term game. It's time to get back to the grind of the basics. ■



For more information, please contact Francis Fagan with Brown & Brown Dealer Services at 312-608-4979 or ffagan@bbins.com, or bbdealerservices.com.

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How Illinois Dealerships Can Avoid OSHAS Top Five:

Tips To Avoid The Most Frequently Cited Violations

Illinois OSHA Citations

They're rampant, they hide in plain sight, and they have potentially dire consequences for your people and your bottom line. Is your dealership doing enough to avoid the most common OSHA citations in Illinois?

Although many people think of OSHA as a monolithic federal agency, it actually operates as a network of regional offices, each with its own priorities and enforcement strategies.

On the state level, OSHA's actions are guided not only by nationwide concerns such as the top 5 citations but also by what the agency calls Local Emphasis Programs (or "LEPs" for short) and Regional Emphasis Programs. According to OSHA, these programs are "intended to address hazards or industries that pose a particular risk to workers in the office's jurisdiction."ⁱ

This means that dealers need to pay careful attention to your local OSHA office and its particular health and safety directives. Stay ahead of inspectors – and ensure the safety and health of your dealership's workforce – by controlling the unique risks present in any local environment in which you do business.

Workforce Health and Safety Issues for Dealers in Illinois

Illinois is located in OSHA Region 5, headquartered in Chicago. Here are a few health and safety issues OSHA focuses on in Region 5:

Slips, Trips, and Falls

Fall protection is a nationwide workplace health and safety concern, but it's a particularly pressing issue in Illinois given the state's climate and concentration of industrial activity.

Common causes of fall violations include:

- Wet surfaces
- Uneven surfaces
- Inadequate lighting
- Ladders that have been improperly set up
- Ladders with structural defects
- Crowded workspaces
- Dangerous weather conditions, e.g. snow and wind
- Human error
- Poor fall protection precautions
- Inadequate training

To protect workers from falls, dealerships must do things such as the following:

- Eliminate any known dangers in the workplace
- Keep floors as clean and dry as possible
- Cover floor holes workers can fall into
- Provide guardrails and toe-boards around open-sided platforms, floors, and runways as soon as possible.
- When required, provide other means of fall protection, including safety harnesses, nets, and railings
- Provide workers with personal protective equipment at no cost to them
- Train workers about fall hazards

Additionally, to minimize fall risk and identify potential hazards, consider the following questions:

1. **Have you found and eliminated all fall risks?** Walking surfaces and ladders should be kept clean and dry at all times. Holes should be covered. Equipment should be installed and used correctly. A competent member of your staff should regularly assess each facility for fall hazards. Once a hazard has been identified, it should be addressed as soon as possible. Walk-throughs should be conducted daily. Fall prevention, restraint, and arrest equipment should be inspected before each use.

Continued on page 18

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Damaged and poorly maintained vehicles are behind countless safety incidents and violations.

Continued from page 16

2. **Are you using passive engineering controls and fall restraint systems when necessary?** If you can't eliminate a fall risk, you need to ensure warning signage in place, and planned passive engineering controls (such as guardrails) are ready. Use a fall restraint system when your employees are working near an unprotected edge or side. This kind of system typically requires a body harness and lanyard attached to an anchor point.
3. **Do you have fall arrest systems ready?** If you can't prevent or mitigate fall risk, you need to have fall arrest systems in place. Fall arrest equipment is designed to withstand the force of a fall by controlling it and preventing the worker from hitting a hard surface. A personal fall arrest system must use an anchor point able to withstand a downward force of 5,000 lbs. Otherwise, it must be supervised by a qualified person who has designed the system's ability to arrest a fall's downward force by a safety factor of 2. The PFAS must limit maximum arrest force – the most force that the person attached to the system will experience – to 1,800 lbs.ⁱⁱ
4. **Are you training workers on fall protection?** Any worker who could be exposed to a fall hazard must receive training before they start working in an elevated area. The training should explain your fall protection policies and systems, how to select and use protective devices, and how to maintain equipment. Employees should also be trained to understand the requirements and proper safety procedures for personal fall arrest systems.

Forklifts

Forklift violations are common in Illinois, as many businesses in the state depend on the vehicles to move heavy materials.

One of the leading causes of forklift-related injuries and OSHA citations is inadequate training. Make sure that all forklift operators in your facility are properly trained and certified before they get behind the wheel. Too often, forklift operators begin working before an experienced

forklift certification specialist evaluates and signs off on their training.

Keep an eye on the condition of your forklifts. Damaged and poorly maintained vehicles are behind countless safety incidents and violations. Make sure all forklifts are inspected between shifts. It's a good idea to use a checklist. Take any machine out of rotation if there are issues such as problems with the mast, a broken or missing seatbelt, an expired fire extinguisher (for forklifts that must be equipped with one), rusted lifting chains, worn tires, and so forth.

Safe Driving

Vehicle accidents are a common workforce safety issue for dealers. Collisions can cause severe injuries as well as damage to property and equipment – and, of course, result in OSHA fines.

Fortunately, most accidents are avoidable. To improve safe driving habits and reduce the chance of an accident, employers should do the following:

1. Practice good housekeeping and recordkeeping. For many dealerships, accidents frequently occur at one or a handful of problem areas. Maybe there's a busy intersection on the lot or an obstruction at a corner creating a large blind spot. Look for and eliminate potential hazards proactively, and address issues as soon as there's an incident. Employees are sometimes aware of these problems before health and safety managers are, so encourage the members of your workforce to speak up if they've witnessed an accident or noticed a hazard.
2. Be mindful of where vehicles are parked. Drivers should respect all signs and markers, and never leave a vehicle in a spot where it shouldn't be parked – regardless of how quickly they intend to return. An improperly parked vehicle can increase the likelihood of collisions, as other drivers don't expect the vehicle to be there or can't see it, and may cause serious problems if there's an emergency, e.g., if the vehicle is obstructing a fire lane.
3. Look out for speeding and distracted driving. Drivers should obey speed limit signs (make sure to post these if you haven't already), watch out for pedestrians, and never use a mobile device, fill out paperwork, or engage in other activities besides operating the vehicle while in the driver's seat. Discourage multitasking. No accident is worth a couple minutes saved.

Examples of indirect workplace hazards expenses

- Workers' compensation claims from people who have experienced injuries and illnesses

- Lost productivity during and after an incident
- Lowered workforce morale due to fear and uncertainty around risk areas
- Hours of labor spent identifying and fixing the issue
- Expenses of cleaning and replacing equipment that's out-of-date, damaged or broken
- Legal and compliance fees
- Negative publicity and reputational damage

Staying Up-to-Date on Regulations, Reporting, and Training

Don't wait until OSHA comes knocking to make sure your EHS paperwork, policies, and training are complete and up to date. Investigators pay attention to everything, and the seemingly tiniest details can lead to violations. For example, if the last three months of inspection forms have been filled out in the same handwriting with the same color of ink, that's a dead giveaway to OSHA that the employer may be falsifying information.

Stay compliant and keep your workforce safe by recording and reporting everything on time, providing periodic refresher training to employees, and keeping your policies in line with all regulatory updates. Automated safety and compliance software makes this easy.

The Cost of an OSHA Violation

OSHA penalties can exceed \$13,000 per violation and as much per day for every day the issue hasn't been fixed by OSHA's deadline. The fine for a willful or repeated violation can be 10 times as much. In 2021, the maximum penalty for such a violation is \$136,532.ⁱⁱⁱ

Those are just the direct costs. Organizations that don't adequately address common workplace hazards can expect to pay hundreds of thousands – even millions – in indirect expenses.

Of course, the true costs of a safety violation are incalculable. No one can put a number on an employee's life. Suffice it to say, it's in your organization's best interest to bring your annual number of injuries and illnesses to zero.

Fortunately, avoiding an OSHA citation isn't as complex or cost-intensive as many people think. Small steps can save you six or seven figures – or save someone's life. Read on to learn about the five most common OSHA violations and what you can do today to reduce their chances of happening in your workplace.

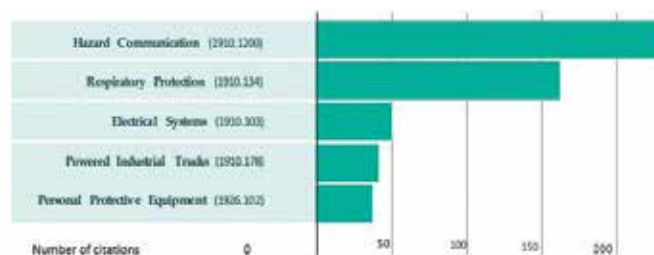
Top OSHA Citations Across the U.S.

Here are the top OSHA citations across the country in 2020. This list has remained largely unchanged for a decade.

The reality is undeniable: many environmental, safety and health professionals are failing to adequately recognize and mitigate the greatest sources of workforce risk.

No matter how much you know (or think you know) about the most common workplace violations out there, it's clear that organizations could use some help.

In fiscal year 2020, OSHA issued hundreds of citations combined in the following categories:^{iv}



You Don't Have to Manage Your OSHA Requirements Alone

Have questions? Looking for more detailed OSHA compliance guidance? KPA is here to help.

This is only a basic overview of the most common violations in Illinois. To truly protect your workforce and bottom line, you'll need in-depth information – and not just about these key areas, but every potential hazard that exists in your dealership. You'll also need to conduct a thorough evaluation of your facilities to identify current gaps and risk areas.

KPA's unique combination of expert EHS consulting services, software, and training can provide the coverage your people and your dealership needs.

KPA clients get access to more than 120 field consultants across North America who are available to deliver both on-site and virtual compliance support, as well as audit loss control services. Additionally, KPA's Vera Suite software helps dealers manage their EHS, F&I, and HR programs in one comprehensive platform.

The combination of KPA's software platform and deep industry expertise helps clients manage risk, streamline operations, and reduce costs. ■

ⁱ <https://www.osha.gov/enforcement/directives/lep>

ⁱⁱ Full requirements can be found at https://www.osha.gov/dts/osta/otm/otm_v/otm_v_4.html#fall_arrest

ⁱⁱⁱ <https://www.osha.gov/penalties>

^{iv} Motor Vehicle parts and Dealers Data Auto Repair and Maintenance Data



September 2021

MARKET BEAT

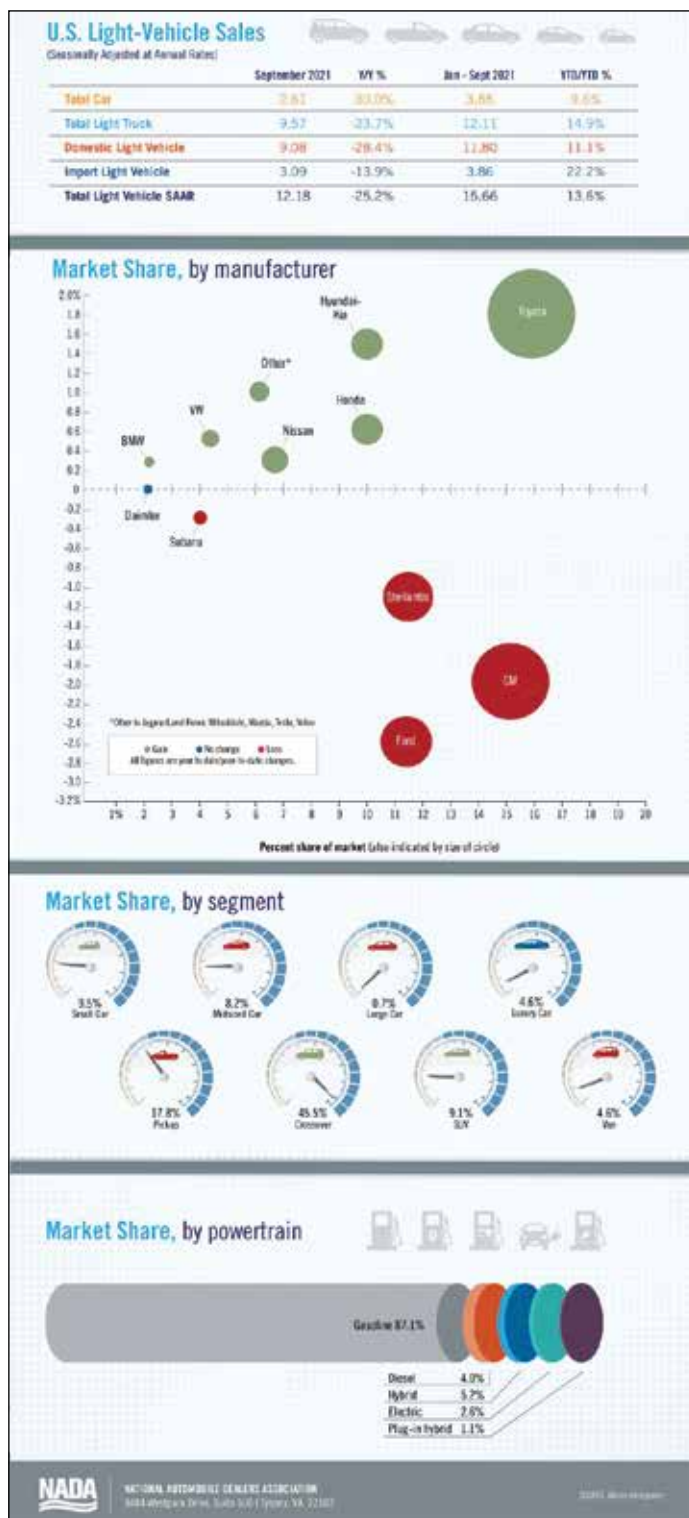
Patrcik Manzi, NADA Chief Economist

New light-vehicle sales in September 2021 fell for the fifth straight month to a SAAR of 12.2 million units. September 2021's SAAR was the lowest since May 2020's 12.1 million units, dropping the 2021 Q3 average SAAR to 13.3 million. Tight inventories have limited both fleet and retail sales, with fleet sales likely accounting for just 12% of total sales volume, according to J.D. Power. September 2021 started off with record-low inventory levels of 1.06 million units and will likely show little change in the final month-end data from September. Limited inventory continues to be the largest factor limiting new light-vehicle sales. Demand that would push sales rates closer to 17 million units exists in the market, but sales won't rise significantly until inventory levels do.

Average transaction prices continue to rise in response to high consumer demand, limited vehicle availability and significantly reduced incentive spending. Average transaction prices, says J.D. Power, are expected to top \$42,800-another all-time high and the fourth straight month of average

transaction prices exceeding \$40,000. Meanwhile average incentive spending per unit is expected to be a record-low \$1,755, down \$2,037 from September 2020. America's franchised dealers are selling cars very quickly once they reach the dealership. Continuing a trend seen in recent months, the average time a new vehicle sat on a dealership lot fell to 23 days this September, down from 25 days in August and 54 days in September 2020, J.D. Power says.

According to Auto Forecast Solutions, the microchip shortage has cost the global industry 9 million-plus units of production, with a loss of 1.2 million more expected. In North America, vehicle production is down by over 2.9 million vehicles, with a further drop of 300,000 units likely. Inventory levels will probably not change much in October, and sales in fourth-quarter 2021 will continue to be pinched as the industry works its way out of the chip shortage. Because of the reduced sales pace seen in third-quarter 2021 and a dour outlook for sales and production in the fourth quarter, we have reduced our full-year 2021 sales forecast to 15.2 million units. ■



Don't Take The Bait From Phishing Scammers



In our modern world, the use of emails as a primary form of communication has become the norm. But with this comes the risk of increasingly clever cyberattacks that prey upon you and your employees who use email.

Scammers send phishing emails to try to gain access to basic information from users. Once they have this, they may be able to infiltrate your email, I.T. network, bank account, or other accounts. Even the use of spam filters may not be enough to catch every phishing email that tries to sneak into your inbox.

So what can be done to keep your business's information and accounts safe?

Know what to look for. Phishing emails can be very convincing. They might seem to come from friends, family members, co-workers, authorities, or even use familiar logos to appear similar to companies you trust. But if you look closely, there are generally ways to tell if they are legitimate.

A few things to keep an eye out for may be:

- Typos and grammatical errors
- Incorrect or mismatched email addresses
- Generic signatures
- "Too good to be true" claims or offers of large rewards
- False invoices
- Fear tactics, such as urgent calls to action, suspicious activity, or failed log-in attempts
- Asking you to confirm or fill in personal information

It's important to note that legitimate companies generally have domain emails, won't ask for sensitive information,

or send unsolicited attachments. Their links will match legitimate URLs, and they won't try to trick you into clicking on anything.¹

Add extra layers of protection. Make sure to look into the use of antivirus software and ensure it is up-to-date. Also, consider the use of multifactor authentication, which requires two or more credentials to log in. If a scammer convinced an employee to fall for a phishing scam, multifactor authentication could help make it more difficult to successfully get into that employee's accounts.

Back up important data regularly in case the worst were to occur. This is a good practice in general but can be especially helpful to keep your records and documents in safe standing should the originals be compromised.

Report phishing attempts. If you or your employees have successfully identified a potential phishing email, report the message and delete it from the inbox right away. Most email hosts have an option to report spam and block specific email addresses. If you question the validity of an email, take a moment to read it carefully and look up any keywords or identifying notes that could lead you to make an informed decision. And, if you suspect you clicked on a bad link, take action right away by contacting your information security department.

Phishing emails could put you – and your business – in danger. When in doubt, be wary of suspicious emails and don't take the bait. ■

¹Federal Trade Commission Consumer Information.
<https://www.consumer.ftc.gov/articles/how-recognize-and-avoid-phishing-scams#recognize>

Prioritizing Workforce Retention



Unemployment in August 2020 was high: according to Statistica, 13.54 million people were looking for jobs. August 2021 was better because by then, Statistica only listed 8.38 million unemployed people.

With such large numbers, it's easy to think there is no shortage of people to hire, but the pandemic recession hasn't changed the need to find, train and retain new workers. The shutdown worsened everything because many workers who lost their jobs, especially people with extensive work experience, decided to retire or change industries. Unemployment statistics don't count the people who retired.

Every company deals with turnover sometimes, but Harvard Business Review blames bad hiring decisions for 80% of turnover. As a result, the first step in retaining employees is figuring out what you have done wrong in the past so you can fix it.

One of the most important things you can do to retain employees is to diversify your search and make sure you hire the right people in the first place. According to employment industry experts, you can counteract bias by considering people from under-represented backgrounds. To prevent hiring the wrong people, look at their soft skills as well as their other qualifications. Approximately 89% of the time, the hiring process goes wrong because of a soft-skills mismatch.

The employee shortage doesn't mean you won't find people to hire, but the process might be more challenging than you would like, and it makes sense to encourage employees to stay as long as possible. Investing in

your workforce will benefit your company during good times and bad. When your company is prospering and everything is going well, making it clear how much you value your employees encourages them to build a career with you. Downturns are an opportunity to build loyalty, too; people don't forget it when they know you could have cut their job and didn't.

At the same time, one of your jobs is to determine which employees are valuable and whether any employees drain the organization. If you can help someone become more productive, that's great. But if you don't succeed, you are doing them and the company a favor by letting them find a better job somewhere else.

Educators can play a much larger role in teaching students about the opportunities available to them. Companies should make a point of doing what colleges do and start visiting high schools two or three times a year. If the only message students get is that they ought to go to college, it's a no-brainer what they are likely to do after getting their high school diploma. Auto industry jobs ought to be a compelling alternative to a four-year degree with a fat price tag attached. Is a college education important? Yes, absolutely. But everyone's situation is different, and a college education does not always pass the test when you consider the return on investment.

What else can companies do to educate people about career opportunities? Look at television, online news sites and social media. Target the most likely media to reach people; for example, if you want to reach a younger audience, such as Generation Z (1997-2012), look at Instagram, Snapchat and TikTok.

What are some ways you can keep employees committed to their work?

- Keep your efforts at retention in perspective. Employee engagement is determined by personality more than any engagement initiatives you might come up with. The right hires are more likely to be engaged and stay because of who they are, not what you do in terms of programs.
- Even so, skilled workers are hard to find, so value the employees you already have. Treat them right, and they will probably be happy in their jobs.
- Show active appreciation for the work being done.
- Be considerate about schedules and work with employees as much as possible. People need to know as soon as possible when they will have a day off, and if you ask them to work a difficult shift, they will appreciate knowing they won't be stuck there forever.
- Give new employees some time to acclimate to the work they'll be doing. For the first week or two, educate new employees and have them meet with people to get acquainted. This introductory time gives you a chance to educate them about expectations and help them be invested in what they will be doing from the very beginning.
- Check up on new hires regularly after start working. For example, see how they are doing after 30, 60 and 90 days. Ask them whether they are getting enough training. Make sure their benefits have been set up correctly. Schedule regular training sessions about industry trends and equipment, too, so employees stay current. Ensure they know about any career-growth opportunities you offer.
- Invest in leadership education for supervisors a minimum of once a year.
- Where possible, offer preventive mental health training and support. People have always had problems with mental health issues, but the pandemic has been hard on everyone. It's past time to get rid of the stigma around mental health care. Suppose you can provide benefits that give managers and team members the skills to improve their emotional prosperity and a way to get help when those skills aren't enough. Your employees will be more effective in their jobs, more likely to stay and less likely to incur medical costs.
- Track what you are doing so you can figure out whether your ideas work or not. Continuous improvement won't occur unless you pay attention to the process.

Even though the obvious solution for a workforce shortage is to recruit more people, retention still matters. As a result, companies with a healthy, positive work environment have a definite advantage over less-savvy

If you compare companies with higher employee engagement against companies that don't, some experts say there's a 20% difference in productivity

competitors because constant turnover is expensive. (How expensive? There are online calculators to help you figure that out.)

How big a difference does employee engagement make? If you compare companies with higher employee engagement against companies that don't, some experts say there's a 20% difference in productivity. Engaged employees are more proactive than their less-motivated counterparts when it comes to solving problems. They don't spend the day watching the clock and putting in minimum effort.

That said, you are going to expect more turnover in some jobs than others. That's why turnover can't be the only consideration. You should also consider job difficulty and the amount of interaction a job requires. If a job can be done by 50%-75% of all applicants, focus on retention. Performance-related criteria become more important if a job can only be done by a much smaller percentage, like 1%-5%. And if the job requires a great deal of interaction with other people, think about whether potential employees are a good fit for the company's culture. What does a "good fit" consist of? It's pretty simple: don't hire someone with negative personality traits to manage large groups of people. Since that can be hard to determine, consider using a company that specializes in screening potential employees. Someone may be exceptionally well-qualified but unpleasant to work with; if they can work fairly independently most of the time, without coming into a lot of contact with others, you can probably hire them and get away with it. Some skills are so valuable they make dealing with personality problems worthwhile. But all things being otherwise equal, always opt for the person who has better interpersonal skills.

Many problems are outside your control, but you can create a good workplace environment. Take advantage of that fact. Your dealership will be much more likely to thrive if you do. ■

IADA APPRECIATES YOUR PARTNERSHIP IN ALL OUR EFFORTS



IADA members came up big again with their support and grassroots participation in the legislative process. The General Assembly passed several IADA-promoted bills during the 2021 Legislative Session, and each has now been signed by the Governor.

Highlights include restoration of the full motor vehicle trade-in sales tax credit, increased compensation for motor vehicle warranty and recall repairs, extension of the driveway permit to 90 days, a reduced-fee dealer title for titles with no reassignment areas, and protection from manufacturer pressure to sell manufacturer-mandated secondary product. IADA was also able to defeat several legislative proposals that would have increased dealer costs and created additional regulatory burdens.

Participating in our Association program goes a long way toward supporting all our efforts. Our IADA Board of Directors and staff want to offer a special thanks for your partnership in our Association CVR program and all our IADA programs and efforts. We are confident that IADA-CVR is the highest quality process in Illinois for

our dealers. CVR maintained its full staff during last year's pandemic economy and are now looking to increase their coverage even more. CVR already has the best combination of in-person, on-the-ground support, and training staff in the industry and they are looking to enhance this even further. They've partnered with the top 50-state solution provider, ATC, to provide a seamless and accurate out-of-state title and registration experience. Through integration with ATC's platform, CVR's customers can look forward to the convenience of accurate fee calculations for all 50 states and expedited processing of cross-border and out-of-state title and registration transactions. ATC has come through the pandemic stronger, and built the people, processes, and technology to scale out-of-state titling and registration services for all our members. The Chicago Auto Trade Association (CATA) also endorses our CVR program, so you can be assured that we are united in our efforts to best serve our Illinois dealership industry.

Providing the highest quality service and keeping our members enrolled is a primary goal of ours. We will continually strive to differentiate our programs from others and never take your trust and partnership for granted. ■



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